

## **REVENUE BUDGET OUTTURN 2006/2007 & BUDGET 2007/08**

**Report By: Interim Finance Manager Adult & Community  
Services**

### **Wards Affected**

County-wide

### **Purpose**

1. To report on the revenue budget's final financial position for 2006/07 and provide projections for financial year 2007/08 for Adult Social Care and Strategic Housing.

### **Financial Implications**

2. These are contained in the report.

### **Background**

3. The Adult Social Care and Strategic Housing Scrutiny Committee receives regular budget monitoring reports with the last one covering the first ten months of the financial year. The position presented to the 23<sup>rd</sup> March 2007 Committee showed a projected overspend of £1.315m on Adult Social Care and a projected underspend of £100k on Strategic Housing.
4. The projected outturn for 2007/08 is the first report to Scrutiny Committee on the current financial year.
5. As indicated in the previous reports the major budget pressure within Adult Social Care is residential and nursing care placements. This remains a consistent pressure across all service user groups.

### **Adult Social Care**

#### **(i) Summary**

6. The final outturn for 2006/07 in Adult Social Care is an overspend of £1.05m against a budget of £33.9m. The figure was reduced by the underspend within Commissioning and Improvement of £134k. The overall net overspend was £918k. The projected outturn for Adult Social Care in the latest Scrutiny Committee Report was £1.315m.

7. Details of the service area final and projected outturn under or overspends are as follows and includes the information supplied to Scrutiny Committee on 23<sup>rd</sup> March: -

	<b>Final Outturn Over / (Under) £'000</b>	<b>January 2007 Over / (Under) £000</b>
Learning Disabilities	1,071	1,267
Older People	(811)	(879)
Physical Disabilities	341	329
Mental Health	481	552
Service Strategy	40	63

It should be noted that the £918K final outturn overspend is before any use is made of the Social Care contingency, which is for Adults and Children's services. The contingency was applied and as a result there is no carry forward of the overspend into financial year 2007/08.

Appendix 1 summarises the position.

8. The projected outturn as at the end of May for Adult Social Care is an overspend of £4.38m against a budget of £31m. However there is a centrally held contingency set aside for Social Care (both Adults and Children's) of £1.3 million and specific funding from invest to save monies of £2.7 million some of which can be offset against the overspend position at the end of the financial year. The impact of fairer charging policy changes will also reduce the projection and will be included when the position is known.
9. Details of the projected overspend is listed below: -

	<b>May 2007 Over / (Under) £000</b>
Learning Disabilities	2,314
Older People	119
Physical Disabilities	622
Mental Health	965
Service Strategy	100

Appendix 2 summarises the position.

Further work is being undertaken on the projected outturn for 2007/08. Best estimates have been included in the current report. Work is underway to cost the known commitments.

### **Learning Disabilities**

10. The final outturn for 2006/07 in this area is an overspend of £1.071m. The overspend is funded by the Council. As a result of the suspension of the risk sharing agreement, the PCT will fund their proportion of the overspend which is £46k.
11. Since the last Scrutiny report the outturn has reduced due to applying the carer's grant monies (£115k) against Ivy Close respite beds. In previous reports it was anticipated that the grant would be carried forward into the next financial year, this has not occurred and as a result the projected outturn as at January has decreased.
12. The projected overspend in the current financial year (2007/08) is £2.3m against an annual budget of £7.9m. The risk sharing agreement has yet to be ratified.
13. The main areas of overspend for both financial years are Community Care Residential, Nursing care and Agency Placements.

### **Older People**

14. The final outturn for 06/07 was an underspend of £811k for Older People service area.
15. During the previous financial year community care residential and nursing placements were a key pressure within this area. Since October there has been an increase of 15 residential placements.
16. In the current financial year the projected overspend of £119k against the annual budget of £12.807m.
17. The key budget pressures for 2007/08 are community care placements and homecare.

### **Physical Disabilities**

18. Within Physical Disabilities service group the final outturn for 2006/07 was an overspend of £341k. The projected outturn figure in January was £329k overspend.
19. The main budget pressure within this service group is community care and homecare packages. Since April 2006 to the end of March 2007 the number of community care packages has increased from 27.5 to 31.5.

20. In the current financial year the projected overspend is £622k against the annual budget of £2.87m.
21. As previously reported the key budget pressures remain.

### **Mental Health**

22. This service group is provided within a Section 31 agreement. The PCT is the lead partner for this agreement.
23. The 2006/07 final outturn for the Adult Social Care budget within the Section 31 agreement is an overspend of £481k, this overspend has been funded by the Council.
24. The community care placements budget heading remains the key budget pressure within this client group. From April 2006 there has been an increase of 27 care packages, the total at the end of the year was 277.
25. The overspend on community care placements is listed below: -
  - Residential - £392k;
  - Nursing - £183K.
26. In 2007/08 the projected overspend is £965k against the annual budget of £4.46m. The risk sharing agreement has yet to be confirmed. The projected outturn assumes the Council will fund this.
27. As previously discussed the key pressures within the budget are community care placements.

### **Commissioning & Improvement**

28. The final underspend in this service division for 2006/07 was £134k that has been offset against the Adult Social Care overspend.
29. Since January the underspend figure has increased by £127k, the main reason is utilising a capital grant. ICT expenditure that compiled with the capital grant was transferred from the revenue base budget to the capital programme.
30. The underspend within contracts and commissioning has resulted due to a number of vacant posts.
31. The projected outturn for 2007/08 is an overspend of £33k against an annual budget of £1.24m.
32. The overspend sits within the performance and information service area. The anticipated costs for the current year ICT Service Level Agreement is higher than the budget set aside.

33. Additional costs are being incurred, without budget provision; to quality check the improvement board work.

## **Strategic Housing**

34. The 2006/07 final outturn underspend for Strategic Housing is £165k against a £5.76m budget.
35. Since the last report the final position saw a £65k increase when compared to the January projection.
36. The major budget pressure within Strategic Housing has been the demand and use of temporary accommodation to support the homelessness service.
37. Within the other sections of Strategic Housing some one-off savings have resulted due to vacant posts for part of the year. This is a non-recurrent underspend against the annual budget.
38. The projected outturn for 2007/08 is £6k underspend against the annual budget of £2m.
39. The small underspend is due to a number of vacancies that have been filled within the first quarter of 2007/08, hence a small underspend has been generated.
40. Within the Homelessness service area there has been an increase in the number of people accepted as homeless and accommodated in temporary bed and breakfast accommodation. The reason for the increase is notice to quit being served and domestic abuse.

## **RECOMMENDATION**

**THAT the Committee notes and comments on the final outturn for financial year 2006/07 and projected outturn for financial year 2007/08 for Adult Social Care and Strategic Housing.**

## **BACKGROUND PAPERS**

- None identified